

NATURAL RESOURCES

As currently structured, the Natural Resources Agency consists of 27 departments, boards, commissions, and conservancies responsible for administering programs to conserve, protect, restore, and enhance the natural, historical, and cultural resources of California.

The Budget proposes total funding of \$7.8 billion (\$1.9 billion General Fund) and 19,762.8 positions for all programs included in this Agency.

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

The Department provides resources management and wildland fire protection services covering over 31 million acres of the State. It operates 228 fire stations and, on average, responds to over 5,600 wildfires annually. The Department also performs the functions of a local fire department through reimbursement agreements with local governments. In six areas of the state, the State contracts with local entities to provide fire protection and prevention services. Other responsibilities include the development and enforcement of fire safety standards through the Office of the State Fire Marshal and the regulation and enforcement of timber harvesting operations. The Budget includes \$1.2 billion and 6,569.4 positions for the Department.

Significant Adjustment:

- **State Responsibility Area Fees**—An increase of \$9.3 million State Responsibility Area Fire Prevention Fund in 2012-13 and 28.5 positions as a result of Chapter 8, Statutes of 2011. This legislation established a fee not to exceed \$150 on each structure on a parcel that is within a state responsibility area to pay for the fire prevention activities that benefit the owners of those structures. The Department will provide the Board of Equalization a list of structure owners and the amount of the fee to be assessed per structure, and is also developing a process where structure owners can have their questions answered and their appeals adjudicated. The Administration is continuing to evaluate the long-term structure of the fee, including supplementing the fee with a per-acre charge.

Department-Specific Efficiency Proposal:

- **Timber Harvest Plan Reform**—The Administration is committed to improving the health of California forests, continuing California's commitment to the environment, and supporting the state's climate and energy goals. The departments of Forestry, Conservation, and Fish and Game, and the State Water Resources Control Board will be seeking ways to improve the timber harvest plan process. The Administration will meet with stakeholders to receive input in developing a proposal.

Ballot Trigger Reduction:

- The Department's firefighting capabilities would be reduced by 10 percent, or approximately \$60 million, if the Governor's tax proposal is not approved in November. This would require cuts to the Department's fire protection services, including the closure of fire stations and reductions to the emergency air response program.

DEPARTMENT OF PARKS AND RECREATION

The Department operates the state park system to preserve and protect the state's most valued natural, cultural and historical resources and to create opportunities for outdoor recreation. The 2011 Budget Act includes an \$11 million General Fund reduction. The reduction will grow to \$22 million, which will result in the closure of up to 70 state parks effective July 1, 2012. The Budget includes \$517.8 million and 4,056.5 positions for the Department.

Significant Adjustment:

- Revenue Incentive Opportunities—An increase of \$4.3 million State Parks and Recreation Fund in 2012-13 and a shift of \$11 million from its base budget to a continuous appropriation to provide the Department additional flexibility to implement new projects and/or new programs that generate additional revenues and help keep parks open to the public. The Department has been pursuing concessions, operating agreements, and other arrangements with public, non-profit, and private entities to keep as many parks open as possible.

Ballot Trigger Reduction:

- All seasonal lifeguards and 20 percent of park rangers would be eliminated if the Governor's tax proposal is not approved in November. The reductions would result in savings of approximately \$8.7 million when fully implemented. This would reduce the number of arrests and citations issued in state parks, and would impact natural and cultural resource protection efforts.

DEPARTMENT OF FISH AND GAME

The Department manages California's diverse fish, wildlife, and plant resources, and the habitats upon which they depend, for their ecological values and for use and enjoyment by the public. The Department is also responsible for the diversified use of fish and wildlife including recreational, commercial, scientific, and educational uses. The Budget includes \$390.9 million and 2,595.2 positions for the Department.

Significant Adjustments:

- Renewable Energy Projects Permitting—An increase of four positions to implement Chapters 10 and 311, Statutes of 2011. These bills require the Department to approve or reject an incidental take permit application from an owner or developer of an eligible renewable energy project within 60 days and expand the types of projects under consideration to include wind and geothermal projects. These changes are intended to facilitate the development of renewable energy projects in the Colorado and Mojave deserts.
- Oil Spill Response Program—An increase of \$2.9 million Oil Spill Prevention and Administration Fund and 16 positions to fulfill the requirements of Chapter 583, Statutes of 2011, which requires the Department to develop a statewide monitoring

program to ensure vessels loading other vessels with fuel and lubricants and vessels transferring oil as cargo are doing so in a safe manner and are compliant with state laws.

Ballot Trigger Reductions:

- Game wardens would be reduced by 20 percent, or approximately \$5 million when fully implemented, if the Governor's tax proposal is not approved in November. This reduction would impact the Department's ability to conduct field operations, detect invasive species transportation, and conduct large boat operations.
- Certain non-warden programs like the Marine Life Protection Act, Marine Life Management Act, and the monitoring and management of fish and wildlife species would be reduced for savings of approximately \$15 million when fully implemented. The core functions of the Department would be retained, including permitting and data collection and monitoring activities of sensitive endangered species.

STATE LANDS COMMISSION

The Commission manages and protects California's sovereign public trust lands and other lands. These lands total more than 4.5 million acres, plus 790,000 acres of reserved mineral interests. The Budget includes \$31.3 million and 228 positions for the Commission.

Proposal to Balance the Budget:

- Royalty Recovery and Lease Compliance—An increase of \$1 million General Fund and 9 positions for the Commission to increase financial audit activities related to management of oil, gas, and other mineral resources owned by the state, as well as to ensure compliance and prompt payment of rentals from surface leasing. These additional audits are expected to annually generate \$6.6 million in General Fund revenues.

Other Significant Adjustment:

- Land Exchanges for Renewable Energy Projects—An increase of \$686,000 School Land Bank Fund and 6 positions to execute land exchanges for renewable energy related projects as required by Chapter 485, Statutes of 2011. This legislation directs the Commission to negotiate land exchanges with the federal government to consolidate non-contiguous school parcels owned by the state to promote the

development of large-scale renewable energy projects. Any revenues generated from leasing land for renewable energy projects would go to offset state General Fund costs statutorily owed to the State Teachers' Retirement Fund.

DEPARTMENT OF WATER RESOURCES

The Department of Water Resources protects, conserves, develops, and manages California's water. The Department evaluates existing water resources, forecasts water needs, and explores potential solutions to meet growing needs for personal use, irrigation, industry, recreation, power generation, and fish and wildlife. The Department also works to prevent and minimize flood damage, ensure the safety of dams, and educate the public about the importance of water and its efficient use.

The Budget includes \$2.5 billion and 3,584.4 positions for support of the Department. The Budget does not include any new major bond expenditures due to the anticipated release of the Five-Year Infrastructure Report in the spring.

Significant Adjustment:

- Delta Habitat Conservation and Conveyance Program—An increase of \$25.4 million California Water Resources Development Bond Fund and 135 positions for preliminary engineering work to support the Delta Habitat Conservation and Conveyance Program. The program is a partnership between the Department and the U.S. Bureau of Reclamation to meet the dual goals of ecosystem restoration and water supply reliability identified by the Bay Delta Conservation Plan, including the preparation of the necessary Environmental Impact Report. The Plan is funded by a group of public water agencies that voluntarily signed an agreement with the Department to fund the program. The Plan, due in 2012, will promote the recovery of endangered, threatened and sensitive fish and wildlife species and their habitats in the Sacramento-San Joaquin Delta in a manner that will also ensure water supply reliability. When completed, the Plan will provide the basis for the issuance of permits for the operation of the state and federal water projects.

Ballot Trigger Reduction:

- The Department's flood control programs would be reduced by 20 percent, or approximately \$6.6 million, if the Governor's tax proposal is not approved in November. These programs include floodplain mapping and risk awareness.

DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

The Department of Resources Recycling and Recovery (CalRecycle) protects public health, safety, and the environment by regulating solid waste facilities and promoting recycling.

Significant Adjustments:

- **Electronic Waste Fraud**—A transfer of \$588,000 Electronic Waste Recovery and Recycling Account and 5 positions from the Department of Toxic Substances Control to CalRecycle to consolidate and strengthen financial fraud investigation and enforcement activities in the Electronic Waste Program.
- **Product Stewardship Programs**—An increase of \$255,000 Carpet Stewardship Account and \$255,000 Architectural Paint Stewardship Account to implement two new programs. Under the Carpet Stewardship Program and the Architectural Paint Recovery Program, carpet and paint manufacturers and retailers will be responsible for collecting and managing used carpet and leftover paint.